ALASKA'S ROLE IN NATIONAL ENERGY POLICY:
Policy Guidance for America's City and County Leaders

Introduction A reliable, affordable energy supply has allowed Americans across the nation to improve living standards, travel freely, keep homes comfortable, operate appliances and equipment, produce and transport materials, and keep workplaces functioning efficiently. It has allowed individuals and communities to invest in environmental protection measures unequaled elsewhere in the world.

But supply has not kept pace with demand, and Americans are now realizing they can no longer take these abundant energy supplies for granted. They have a huge stake in political decisions affecting energy price and supply; yet most feel uninformed and ill equipped to advance their concerns about the subject. Mickey Thompson of the Oklahoma Independent Petroleum Association acknowledged: "We've failed to educate the public, and the public doesn't understand. And what we don't understand, we don't support." He said—and many political leaders agree—there is a "basic disconnect between policy makers and energy policy."

The dawn of the 21st century found the world economy flat, and struggling. It found the U.S. facing unexpectedly high energy costs and shortages. At the same time, our dependence on imported oil was at an all-time high; in 2001 it exceeded 60% (60.6% for the first seven months). With no behavioral or economic changes, population increases alone will cause an even greater reliance on imports. Some analysts project an 8-10% increase by 2010.

More than 20,000 supertankers (mostly single-hulled) a year arrive in U.S. ports on each coast bringing foreign oil to our refineries. These shipments cost our economy a minimum of some $200,000 a minute. The overall costs of foreign imports have never been calculated. The Interstate Oil and Gas Compact Commission's report, "A Dependent Nation," notes Americans pay "only a fraction of the true cost of imported oil at the gasoline pump." Their tax dollars in effect subsidize foreign economies by keeping shipping lanes open and safe, improving deteriorating infrastructures, and protecting and defending the oil fields, it said. When times are good, as they have been in the 1990s, neither the public nor the Congress gives energy matters much thought. It is now time to pay attention.

President George W. Bush challenged the 107th Congress to address America's long-term, diverse energy needs. By Congress's actions it will encourage or discourage industry's ability to respond to future energy shortfalls. America's city and county leaders have a unique opportunity to weigh in on these decisions on behalf of their own residents and economies. Energy policy, at this pivotal moment in history, should—and must be—addressed in a nonpartisan manner, with particular attention to the needs of local communities and the important role communities play in energy system development, distribution and regulation.

Following is a snapshot of today's situation and recent history to help elevate understanding of energy policy concerns. With it, the picture of a more secure energy future, which involves accessing Alaska's energy resources, becomes clearer.

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The National Energy Picture Sixty-five percent of the energy consumed in the U.S. comes from oil and gas. Energy policy discussions must therefore assume oil and gas will be the primary sources of energy until alternative sources become widely available and competitively priced. Coal provides another 23%, primarily for electricity generation, bringing the nation's fossil-fueled energy consumption to 88%, including imports.

On a basic level, people understand we depend too much on foreign oil, nearly half of which comes from the Middle East, but to most, it has not been a major concern. The September 11 terrorist attacks altered this lack of concern. Many Americans now fear this dependence places the nation in the worst possible security position. They realize supply disruptions from areas that are terrorist breeding grounds could seriously impact the U.S. and other energy-dependent nations.

Major OPEC oil suppliers (in order from the largest) are Saudi Arabia, Venezuela, Nigeria, Iraq, Algeria, Kuwait, the United Arab Emirates, Indonesia and Qatar. Since October 1997, we have purchased 700,000 barrels of oil per day from Iraq alone, costing the U.S. economy billions every year. In a pointed statement by David Garlick, an international petroleum consultant, he lamented that this was money that used to go to domestic producers. "So our punishment to Saddam Hussein has been to buy his crude oil in large quantities."

Recent polls show most Americans now believe producing more domestic energy would make the nation less susceptible to international conflicts. More specifically, a national survey conducted by Wirthlin Worldwide for Arctic Power,[1] assessed reactions to the terrorist attacks and how people might have changed perceptions of energy, national security and the environment. When compared to a July survey, the new data showed a 22% increase among those who felt the positives of oil and gas development in the Arctic National Wildlife Refuge (ANWR) outweighed the negatives. The survey (October 2) showed 61% favored this domestic production.

Absent a strong production commitment, Americans know they will have to depend increasingly on imports to maintain the economy, lifestyles and now, an engaged military. The Bush Administration strongly opposes more imports; to the contrary, its goal is to reduce oil imports to 50% in the next ten years.

The Conservation Solution Conservation and improved energy efficiency will assuredly offset future demand, which environmentalists have long contended. Conservation becomes even more critical in times of war, and use restrictions may become mandatory. It is important to acknowledge, however, that conservation itself cannot fuel agriculture, planes, tanks and automobiles, or serve as feedstock for thousands of petroleum-based products.

If consumers were to behave differently, immediate gains in energy conservation would result. For instance, drivers can save 1-5% in gasoline costs simply by maintaining optimum tire air pressure

[1] Arctic Power is a grassroots citizen's group advocating congressional and presidential approval of opening the Coastal Plain to oil and gas development. It receives broadbased state and national support and funding. See www.anwr.org.

or installing microchips to record tire pressures and warn of discrepancies. Travel-related energy conservation need not be costly, burdensome or deadly (as from smaller, lighter cars). Better road systems, sequenced traffic lights, rush hour tolls, incentives for ridesharing, and improved transit all can increase energy savings.

Milton Copulos, President, National Defense Council Foundation, agrees measures to promote conservation and efficiency are essential elements of increasing supply, as are diversifying sources, applying technology, encouraging renewable energy, and modernizing delivery systems. Addressing future supply needs in Environment and Energy Daily (September 17, 2001), Copulos reported that operating a modern war machine requires far more oil than it used to. Today, he said, it takes eight times more oil to meet the needs of a soldier than it did in World War II.

Patrick Burns of Citizens for a Sound Economy also addressed supply concerns: "Our ever-increasing dependence on foreign sources of energy has afforded some foreign governments undue influence over the U.S. economy." While the environmental consequences of drilling in sensitive areas of the country are exaggerated, he said, the threat of violence is real.

Environmentalists say proponents of more domestic oil and gas production, especially from ANWR, are out of line to advance their views since the September 11 terrorist attacks. Adam Kolton of the national group Alaska Wilderness League, said it would be self-serving and insensitive for anyone to "use this national tragedy to advance an agenda." Senator Frank Murkowski (R-AK), former Senate Energy Committee Chairman who has long linked the energy policy debate with national security, continues to advocate senate debate on energy policy and suggested it was foolhardy not to openly reassess America's position since the attacks.

America's Energy Future Energy Secretary Spencer Abraham told an audience last May that, unless the U.S. changed course and filled the gap between supply and demand, the population would face 1970s-style gas lines and California-style energy miseries.[2] He also observed:

"In the next 20 years we expect overall U.S. energy consumption to increase by over 30 percent. We expect oil demand to increase by one third.

We expect consumption of natural gas to increase by 62 percent.

We expect electricity demand to increase by 45 percent, owing at least in part to the growth of power-hungry information technology.

We now produce 39 percent *less* oil than we did in 1970.

40 percent of our domestic gas resources are now off limits or subject to restrictions that make them virtually impossible to develop.

Hydroelectric power generation is expected to fall sharply. There has been no nuclear power permit granted since 1979.

There are many people who want to see coal—which now supplies over half our electricity—go the way of whale oil.

37 U.S. refineries have closed since 1992 and none have been built in 25 years.

Our energy supply network is also in trouble. The power grid prevents power-rich regions of the nation from selling power to areas that need it most."

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[2] Presentation to the Competitive Enterprise Institute's 7th Annual Warren Brookes Memorial Dinner, May 24, 2001

This breakdown summarizes Year 2000 energy sources (including imports) and uses of energy by sector; and it reflects the extent to which the U.S. relies on oil, gas and coal for energy.[3]

U.S. Energy Consumption (rounded)
Oil – 41%
Natural gas – 24%
Coal – 23%
Nuclear – 8%
Hydroelectric –3%
Renewables – 1%%

U.S. Energy Consumption by Sector
Industry – 40%
Residential – 23%
Electric Utilities – 15%
Commercial – 14%
Other – 9%

National Statistics Reflect Trends As the U.S. population increased from 203 million in 1970 to 281 million in 2001, so did the need for petroleum products. In 1970 America produced 9.6 million barrels of oil per day (bpd); in 2000 production dropped to 5.6 million bpd. Since 1975, energy consumption has grown by 34%, but domestic production increased by just 18%.

Imports compensated for domestic deficits as today's oil consumption rose to its highest level of nearly 20 million barrels per day. Total imports for the first seven months of 2001, as a percentage of total domestic petroleum deliveries, moved up to 60.6%.[4] The U.S. now imports nearly 11.5 million barrels per day. More than half of every tank of gas is imported.

No large oil refineries have been built since the early 1970s and, during the 1990s, more than 40 refineries ceased operations.

Domestic natural gas production peaked in 1971 at 21.7 trillion cubic feet, declining to 18.7 tcf in 2000; low natural gas and oil prices throughout the 1990s contributed to these lower production levels. Natural gas consumption could grow by 2% annually, reaching 34 tcf by 2020. About 15% of today's natural gas consumption is imported, mainly from Canada, although there is no shortage of domestic undiscovered resources yet to be tapped.

Natural gas prices rose in spring 2000, with unexpected high demand and little stored supply. Weather, a ruptured pipeline and increased use by new gas-fired electricity generation plants sent prices to their highest levels in 2001; yet production did not increase.

Transportation uses nearly 30% of all energy consumed in the U.S. The transportation (auto, truck, aircraft, watercraft and military), plastics, and agriculture industries are nearly 100% dependent on oil. In 1998 there were 185,000,000 licensed automobile and motorcycle drivers. The American

[3] Source: U.S. Department of Energy, Energy Information Administration
[4] Petroleum Facts at a Glance: American Petroleum Institute, see www.api.org/faqs/
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Highway Users Alliance reports the number of automobile drivers has grown 63% since 1970. (California has more drivers—22 million—than any other state, who used 14 billion gallons of gasoline last year.)

Nationally, the numbers of vehicles have increased 90% since 1970, and vehicle miles traveled increased by 132%. At the same time, lane-mile capacity has grown just 15% and total road capacity only 6%, significantly contributing to fuel inefficiencies.

These statistical snapshots indicate that designing systems to wean the U.S. population and economy from oil and gas, if deemed the wisest course of action, would take time. Transitions would be complex, time-consuming and costly for government, manufacturers and consumers.

Federal Policy Interventions Since the 1970s, federal policy has led to less and less domestic energy production. During this time the U.S. has experienced four major oil price shocks, and each time, spirited debates called for a new "national energy policy." The Arab oil embargo (1973-74), and subsequent shortages and price increases (1979-80, 1990-91, and 1999-2001), encouraged various congressional solutions. For example, Congress appropriated some $20 billion dollars to research and subsidize alternative energy sources. It enacted sensible efficiency standards for home appliances and construction. With each price or supply disruption, energy conservation and efficiencies were initiated, many with lasting effect.

Corporate Average Fuel Economy (CAFE) standards were adopted and gradually increased since 1975. Today, CAFE standards are 27.5 miles per gallon for cars and 20.7 mpg for light trucks, including SUVs. Improving mileage by manufacturing smaller cars is controversial, however. A 1999 *USA Today* analysis of federal government and Insurance Institute for Highway Safety data reported that since the standards were set in 1975, some "46,000 people died in crashes who would have survived had CAFE not encouraged smaller, lighter cars."

Reviews by industry and government that analyze the effects of political restrictions, import expansions and contractions, substitutions, prices and other factors on total supply are readily available. This review does not add to them. There is one area in which federal action dramatically dampened domestic energy production over the long term. It concerns energy, environmental and economic policies that have each been dealt with in isolation, without evaluating the effect of each policy on the others.

Through the 1960s, industrial development, government and military operations, and community expansion were often undertaken without considering their adverse environmental impacts. As environmental groups studied and publicized these impacts, the pendulum swung. Congress in the 1970s[5] responded to the lack of attention to such concerns as clean water, land and air with wide-ranging national environmental laws.

State, county and local governments implemented these environmental laws and regulations at huge costs. The public and private sectors spent some $1.4 trillion (in 1990 dollars) on environmental

[5] Clean Air Act, Resource Conservation and Recovery Act, National Environmental Policy Act, Coastal Zone Management Act, Water Pollution Control Act, Endangered Species Act, Safe Drinking Water Act, Toxic Substances Control Act, Comprehensive Environmental Response, Compensation and Liability Act (Superfund), Marine Mammal Protection Act, Noise Control Act, and amendments to each Act.

programs between the early 1970s and early 1990s, vastly improving air and drinking water quality. Polluted water bodies became fishable and swimmable. Toxic waste sites were remediated, recycling became commonplace, and exposure to suspected cancer-causing substances was greatly reduced. Public and private lands (100s of millions of acres) received unparalleled protections.

America set many environmental standards in the last thirty years and elevated global awareness of the need to be better stewards of land and environments. Yet the groups rightfully credited for these dramatic improvements downplay their accomplishments, demanding yet more financial commitments for their causes. The secret of environmental progress remains well kept.

Fallout from the '70s environmental decade and the movement's growing power made it more difficult to authorize and build energy projects of any sort. NIMBY (Not in My Back Yard) and NOPE (Not on Planet Earth) became household acronyms. Lead times for project approvals jumped from months to years. Some states legislated more far-reaching roadblocks than the federal government's. Citizen lawsuits and lengthy public processes brought multi-million-dollar projects to their knees. These hurdles primarily affected petroleum exploration and development, with nuclear and hydroelectric projects close behind. It seemed the public hardly noticed.

In the early 1980s the nation had, overall, 25 to 30 years of excess energy capacity. Then, when the economy turned sour, excess capacity, reduced demand and increased energy efficiency resulted in fewer investments in energy projects. With low oil and gas prices and limited exploration opportunities, energy producers retrenched. They—and their manufacturing and support service companies—laid off workers, disposed of machinery and equipment, closed up shop, or moved exploration budgets to foreign countries. The oil and gas industry lost more than 450,000 high-paying jobs. Again it seemed the public hardly noticed.

Petroleum industry leaders warned it was irresponsible (some said "insane") to allow the entire domestic industry to be dismantled. They said it would be impossible for workers, equipment, management expertise, and investment capital to be quickly mobilized to handle the shortages they knew would occur. When analysts declared it foolhardy not to address long-term energy policy, the media ignored it. When "controversial" energy projects were proposed, NIMTOO political leaders (Not in My Term of Office!) sought cover from groundswells of organized opposition.

A string of mild winters further reduced prices and demand for oil and natural gas, making the supply picture appear more secure than it was. Exploration on state and federal lands, some 40% of the nation's land base, became impossible during the 1990s. Energy producers stopped looking for new supplies; instead, the population lived on production from existing wells. Meanwhile there was no incentive to invest in the more costly solar, wind or other less-polluting systems. Growth of nuclear energy was at a standstill.

The growing population put additional strains on supply as each household required new services and equipment. The fast growing information-based economy required huge amounts of electricity. Forty percent of new vehicle buyers wanted gas-guzzling SUVs, trucks and vans. These phenomenons went unnoticed at the national policy level. The nagging voices from industry and think tanks, which badgered policy makers to pay attention, continued to be ignored.

The laws and policies now firmly entrenched prevented access to oil, gas, coal, hydroelectric and geothermal resources. They inhibited application of promising technologies and modernization of

production and distribution systems. By winter 2000, oil, natural gas and electricity costs had skyrocketed. Then-Energy Secretary Bill Richardson told a New England audience: "We were caught napping. It's obvious the federal government was not prepared." As America soon discovered, industry was ill prepared to come to the rescue.

Energy supply had been taken for granted for so long that consumers were outraged with the new situation. They could only believe the crisis was manufactured, and they blamed "Big Oil" for the problem. So did opinion columns and newspaper letter-writing campaigns. In a New Republic article, environmental journalist Gregg Easterbrook countered the conventional wisdom by defending Big Oil. He lamented the fact that oil industry workers were taken for granted or held responsible for price increases; he said they should be heroes. "It is they who are out in the field struggling with dangerous rigs" and other perils to keep everyone's supply coming. He suggested that while the computer industry was praised for innovating and holding down costs, "no one praises the oil industry for the hard work and brainpower that has produced better, low-cost gasoline."

President Makes Energy Policy a Priority As promised in his campaign, President Bush convened a policy study group, under Vice President Cheney's direction, to develop national policy. Over a five-month period, an integrated long-term energy, environmental and economic policy was crafted. It contained 105 recommendations to "modernize conservation, modernize our infrastructure, increase our energy supplies, including renewables, accelerate the protection and improvement of our environment, and increase our energy security."

Key elements of the Bush imperative to increase domestic supply included tapping Alaska's Arctic coastal plain for a possible world-class oil and gas field, expediting construction of a natural gas pipeline from Prudhoe Bay to the southern 48 states, and leasing additional acreage in the National Petroleum Reserve-Alaska. It also proposed importing larger quantities of oil and gas from Canada, Mexico and other Western Hemisphere areas. At the same time, the President seeks to reduce overall imports to 50% of U.S. consumption.

Under the Bush plan, revenues from oil and gas leasing would fund conservation, research, energy efficiency and use of alternative fuel sources. Even with remarkable progress in each of these areas, however, today's energy shortfall does not disappear. New technologies and discoveries from accelerated research will eventually bring cleaner energy fuels, but the transition will not occur soon enough.

Critics assailed the strategy for placing too much emphasis on drilling and not enough on conservation. In its defense Interior Secretary Gale Norton said more than half the President's energy policy recommendations were targeted to conservation, environmental protection, renewable and alternative energy, new technologies to increase efficiency, and measures to help consumers with energy costs. It also set aside $2 billion for alternative fuels research, $4 billion in tax breaks to buyers of hybrid vehicles, and $2 billion for clean coal technology research.

Secretary Norton told Congress this June that federal lands [including 30 national wildlife refuges] provided 32% of oil and 35% of natural gas production in 2000. Federal lands produced 37% of domestic coal and 48% of geothermal resources. She said these on and offshore lands also contained some 68% of all undiscovered oil resources, 74% of undiscovered natural gas resources, and 16% of all hydropower capacity, attesting to their national interest value.

Except for production from older leases, there has been virtually no new leasing activity in decades on federal lands in the 48 contiguous states. Not one acre has been set aside for future energy needs. In addition, on the east and west coasts, residents have said "absolutely not" to offshore rigs that could be seen from the mainland, even 20 miles offshore. In Alaska, the government finally approved leasing (May 1999) in the National Petroleum Reserve where 3.1 billion barrels of oil and 9.9 trillion cubic feet of gas are estimated.

Pacific Legal Foundation attorney James Burling wrote in a recent editorial: "Washington has built more roadblocks than roadways to energy independence." For instance, he said, it has barred oil drilling off the East Coast, parts of Northern Alaska and the California coast. "No other nation with a coastline is so restrictive. Or so schizophrenic. We're terrified by the sight of oil wells off our coasts, yet our lifestyle demands an endless stream of tankers from corrupt 'oilgopolies' many thousands of miles away."

In the Clinton Administration's last days, millions of acres of federal forest and other multiple-use public lands were declared national monuments or "roadless" areas. On some federal lands roads were obliterated and even removed from government maps. Many western lands were withdrawn precisely *because* of their energy potential. Mark Rubin of the American Petroleum Institute said the environmentalist-sponsored national forest roadless rule adopted by the Clinton Administration actually served to halt resource development "without a specific ban." He also noted, "You can't tote natural gas out in a knapsack." If reducing oil imports is the goal, impediments to oil, gas and coal leasing on federal lands must also be reduced.

In spite of these unparalelled land withdrawals, environmentalists still say 95% of federal lands are "open to leasing." The Bureau of Land Management disputes this. It says some 25 million acres of the 264 million acres it controls were closed because of special designations. The remaining acreage is subject to agency land-use plan restrictions, making much land off limits to accommodate other priority uses and values.

Other Energy Resources Coal is America's (and the world's) most abundant known fossil fuel; however, clean air policies, mining techniques, access, reclamation and facility siting issues seriously limit its use for power generation. The Bush policy proposes overcoming some of these hurdles and making major investments in clean coal research that could bring marketable results in this decade. These results are possible only if supportive regulatory policies are in place at all government levels.

The potential for increased electric power generation from clean nuclear energy will remain low unless public opinion changes dramatically. Also, planned shutdowns of existing plants for maintenance, repairs and refueling next spring will force system use to drop from 97% to 91%, according to energy analyst Fred Schultz of Houston, Texas. This estimate excludes unplanned or forced outages of nuclear plants, both of which are likely but impossible to predict. Such occurrences would put additional strains on fossil fuel supplies. Gigantic increases in hydroelectric and other renewable energy supplies, if successful, would reduce demand for oil and gas, but not soon enough or in large enough quantities to meet projected needs.

House Passes Energy Bill In a stunning blow to environmental interests, which had lobbied strenuously against it, on August 2, 2001, the House of Representatives passed a comprehensive energy bill that allows drilling in the Arctic National Wildlife Refuge. After the House vote (240 to

189), Resources Committee Chairman James V. Hansen (R-Utah) praised colleagues for supporting the modest incursion into the refuge's coastal plain, limited to a 2,000-acre production area.

A Los Angeles Times commentary put the House-approved 2,000 acres into perspective: "If ANWR were a 100-yard football field, the area affected by drilling and built facilities would equal the size of a stadium cushion."[6] Except for this area's potential, there is no known oil potential elsewhere in the Scotland-sized refuge, half of which is designated federal wilderness.

Chairman Hansen noted in a national press release, "Never have I seen a provision [opening ANWR] demagogued so ferociously. Men and women on both sides of the aisle saw past the passion and the rhetoric to the facts, the science and the common sense of the proposal." (Congress voted to open the ANWR coastal plain in 1995, but President Clinton vetoed it. Had he not, ANWR oil could be flowing in the Trans-Alaska Oil Pipeline today.)

Why Develop in an Area Sought for Wilderness Protection? The ANWR coastal plain contains America's most promising undrilled onshore structures with known petroleum potential. In a 1998 assessment, the USGS concluded the area could produce up to 16 billion barrels of oil over more than 25 years. This estimate does not consider that technology has greatly increased the amount of oil that can be extracted from a given reservoir. The 1998 assessment assumed only 37-38% could be produced, whereby recent experience has proved otherwise.

Older North Slope fields are now expected to release more than 50% of the oil they contain. Prudhoe Bay, for example, will likely yield 60-65% of its oil. Consequently, Arctic geologists find the USGS estimates pessimistic. If 10 billion or more barrels are found to be producible, the coastal plain would represent the world's largest new oil discovery in 30 years.

Alaskans believe their petroleum resources to be a far more valuable "national treasure" than the featureless, windswept tundra would be as a federal wilderness. Wilderness advocates, who oppose using fossil fuels, would forever deny all Americans the benefits of these resources. A wilderness designation would cause the coastal plain's benefits to accrue to a miniscule population segment—wealthy ecotourists—a situation most Alaskans find unfair and a luxury the nation can ill afford.

Economic Benefits of Alaska Oil and Gas A key element of the President's energy policy and legislation passed by the House is bringing Alaska natural gas to U.S. markets. A pipeline from Prudhoe Bay to the Midwest carrying large quantities of natural gas could soon become reality, as much of the permitting has already been done. In September 6 floor remarks, Energy and Natural Resource Committee Chairman Senator Jeff Bingaman (D-NM) said, "If we do nothing about the Arctic gas, we could wind up being similarly dependent on foreign natural gas, from many of the same OPEC countries from which we import oil. That is an economic and national security issue."

National economic benefits from either the gas pipeline or ANWR development would be monumental. Federal revenues would increase by billions of dollars from taxes, leases, bonus bids and royalties, benefiting every state. Exploration and production would be a boon to the entire economy;

[6] Wildlife and Drilling Can Co-exist, R. Dobie Langenkamp, Acting Director and law professor, National Energy-Environment Law and Policy Institute, University of Tulsa, Los Angeles Times, August 9, 2001.

up to 1.5 million direct and indirect jobs, 98% of which would occur *outside* Alaska, would be created by both projects, at a time when the U.S. economy most needs them.

The Seafarers International Union, addressing just ANWR development, notes that it would do more than just increase domestic oil production. "Americans will do the exploration and drilling. U.S.-built pipelines will transport the oil. Domestic facilities will refine and distribute it. U.S. energy producers and consumers will use it." American workers would also crew the growing fleet of environmentally safe, double-hulled, U.S.-flagged tankers that will carry the oil from Alaska, said Michael Sacco, the union's President. It would help expand the nation's shipyard industrial base, which would also support critical military services.

Jerry Hood, Special Assistant for Energy Policy to the President of the Teamsters Union, stressed the importance of Alaska oil and gas development to job creation. "We need the energy, we need the jobs, we need a comprehensive energy bill from the Senate," he said. Noting the country was reeling from the recent loss of more than 200,000 jobs—with more layoffs expected—"this legislation would put Americans back to work."

Timetable for Producing New Alaska Oil and Gas The Arctic coastal plain differs from typical isolated oil and gas basins in that it is adjacent to an existing pipeline and can benefit by Prudhoe Bay's infrastructure. With a national imperative to do so, first production after leasing could occur as soon as two to three years, setting new Arctic industry records. In the event of a protracted war or import reductions tied to political alliances or sanctions, this timetable will be critical. Alaska production of two million barrels a day would be a major constraint on OPEC attempts to raise prices or cut production. With a similar commitment, Alaska natural gas could be flowing south in five years.

State Sovereignty Residents in some states have elected not to explore or develop their energy resources for aesthetic or other reasons. Alaskans do not share these concerns because they recognize Arctic development has taken place under strict laws assuring the highest environmental protections. The most recent poll (Spring 2001) showed 75% found ANWR development in the state and national interest. 78% of Inupiat Eskimos, who live in and own coastal plain land, and who use the Porcupine caribou for subsistence, are outspoken supporters. It is unlikely such instate support could be voluntarily generated elsewhere in the country. And, nowhere else would so few people be aware of or adversely affected by the development.

While Alaskans respect the sovereign rights of other states to forego oil and gas development, they find it grossly unfair that these states should have veto power over states that seek to develop them within their own boundaries. In times of severe shortages, they say, Congress might consider it appropriate for "energy pure" states to pay higher energy prices or receive reduced allotments to compensate for not contributing their resources to the national energy pool.

Next Step is Senate Action In the Senate, various energy development proposals have been crafted. Senator Bingaman, Energy and Natural Resources Chairman, referenced his committee's work in a September 19 press release: "Our national security, our future economic prosperity, and the jobs of millions of Americans are at stake. I hope that in the coming weeks, we will be able to come together in Congress and the Administration, and combine a thoughtful analysis of our current energy challenges with a willingness to take bold policy steps to address them."

Approving ANWR exploration and development is one such bold policy step. America's policy makers—from our cities and counties to members of Congress—should consider these questions:

Will the U.S. increase dependence on Middle East countries for future oil supplies?
Will the U.S. agree to conserve more and produce more of its own energy needs?
Will the U.S. finally acknowledge that energy development and environmental protection are compatible?

A positive, proactive energy policy is possible this year, and the logical course of action has never before been so apparent. At this moment in time, America's energy future is in our hands.

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